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Q "A strong political system needs a very strong political economy." Prove this statement by making a comparative and analytical answer with reference to China and Malaysia?

## 1 INTRODUCTION

A robust political system is intertwined with a resilient economic system; as it affects the country's political stability and decision making power. The case studies of Malaysian and Chinese economies are unique in a sense that they achieve political stability through economic growth. Therefore, it is argued by many political scientists that effective economic growth can also lead to political stability as seen in China and Malaysia.

### 2) case study of China

#### 2.1) Economic growth and political stability

China's economic growth has provided its communist party a legitimacy to rule which has enhanced political stability in the country. China's communist party has lifted **800 million of its people**

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out of poverty through five year economic, creating a stable environment for the country. Hence, China's political stability is linked with its economic performances of China's communist party which has made China a second largest economy in the world. **(World Bank report 2019)**

## 2.2) State led capitalism

China's communist party controlled key industries, providing its control on the economy. This state led capitalism has played a major role in providing political stability through state control of key industries like food, technology, mining etc. **(UNCTAD report 2022, criticized China's state led capitalism)**

## 2.3) Economic planning and policy implementation

China's effective economic planning and policy implementation have provided its party a tightly control on China. **Barry Naughton** in his book **"The Chinese Economy: Transition and growth"** emphasized on China's economic planning which has

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provided stability in the country.

## 2.4) State owned Enterprises (SOE) and Economic Control

The state ownership and control of certain economic sectors like energy, telecommunication, provided a tight control <sup>to</sup> of the party. Consequently it has promoted political stability in which economic goals have been made through political and economic growth. (The Economist report 2019)

## 3) Malaysia case study

### 3.1) Economic diversity and political consensus

Malaysian success in economic and political domains demonstrate their economic diversity and political consensus among diverse ethnic groups. Malaysia has diversified economy which provides share to its diverse population. Consequently, it lead to development of political consensus and stability. (Christopher Marquis :

The Malaysian economy)

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### 3-2) Proactive Economic policies

Proactive economic policies reduce economic disparities among Malaysian people which lead to political stability. Political instability increases when there is a wider inequality in distribution of economic resources. However, Malaysia learned it without proper distribution of economic resources, the country will never get political stability.

### 3-3) Effective resource management and political stability

Effective resource management of natural resource like oil, gas, and water and human resource did not only provide economic prosperity, but also enhance political tolerance and stability.

### 3-4) Similarities

Both China and Malaysia resemble strong economy with resilient political stability. China state led capitalism have provided

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political stability for the country. While, Malaysian government intervention in some industries have helped them to achieve political consensus.

### 5) Dissimilarities

China is ruled by the single party the Chinese Communist Party. While Malaysia follow a multi-party system where coalition governments are mostly formed.

### 6) Conclusion

To conclude, both China and Malaysia case studies resemble that with a strong economic, a country can achieve robust political stability. It is because both are inter-dependent on each other.

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Q Discuss the basic norms of regional politico-economic integration and organizational structure of the European Union.

## 1) INTRODUCTION

The (EU)

European Union is the political and economic alliances of the member countries particularly located in Europe. The basic aim of this organization is to facilitate economic coordination and fiscal discipline in the region. Therefore, this organization supports free flow of goods, services, capital, and labour across the region. The basic structural organization of the union include European parliament, European commission, and European council. So, the European union is the association of 27 European countries to promote economic coordination and political stability in the region.

## 2) WHAT IS EUROPEAN UNION?

The European Union (EU) is a political and economic union of member states particularly located in Europe. It was established with the aim of fostering economic cooperation and preventing the recurrence of devastating conflicts among

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European countries, particularly in the aftermath of World War 2.

### 3) BASIC NORMS OF REGIONAL POLITICAL & ECONOMIC INTEGRATION

#### 3.1) Free flow of goods

The EU single market principle promotes free flow of goods restricting trade barriers and tariffs in the region.

##### Example:-

The EU single market principle promote trade and free flow of goods among member states, promoting economic coordination and stability.

#### 3.2) Free flow of services

The EU promotes free flow of services, proposing legislations which facilitate free flow of services.

##### Example:-

The EU's services directive facilitates free flow of services among the member state, promoting economic integration in the Eurozone.

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### 3.3) Free flow of capital

The EU's laws facilitate and promote free flow of capital in the Eurozone.

#### Example:-

The EU's Capital movement directive facilitates free flow of capital, promoting financial integration in the Eurozone.

### 3.4) Free flow of Labour

European union supports the free flow of labour in the region.

#### Example:-

If a person holds a citizenship of any European member states, he or she can work in any member country of the union. This provides free flow of labour in the union.

### 3.5) Harmonizing the policies

The

European union supports the stable and inclusive economic policies in the region; therefore, it facilitate is harmonization and integration of Europe through inclusive policies.

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### 3-6) Common External Tariff

The EU facilitates in establishing common external tariff for the <sup>imported</sup> goods.

#### Example

The stability and growth act not only harmonizes economic policies, but also provide common external tariff for the imported goods.

### 3-7) Institutional framework for dispute resolution.

Institutional framework for dispute resolution plays an important role in resolving disputes among members states, including economic related disputes.

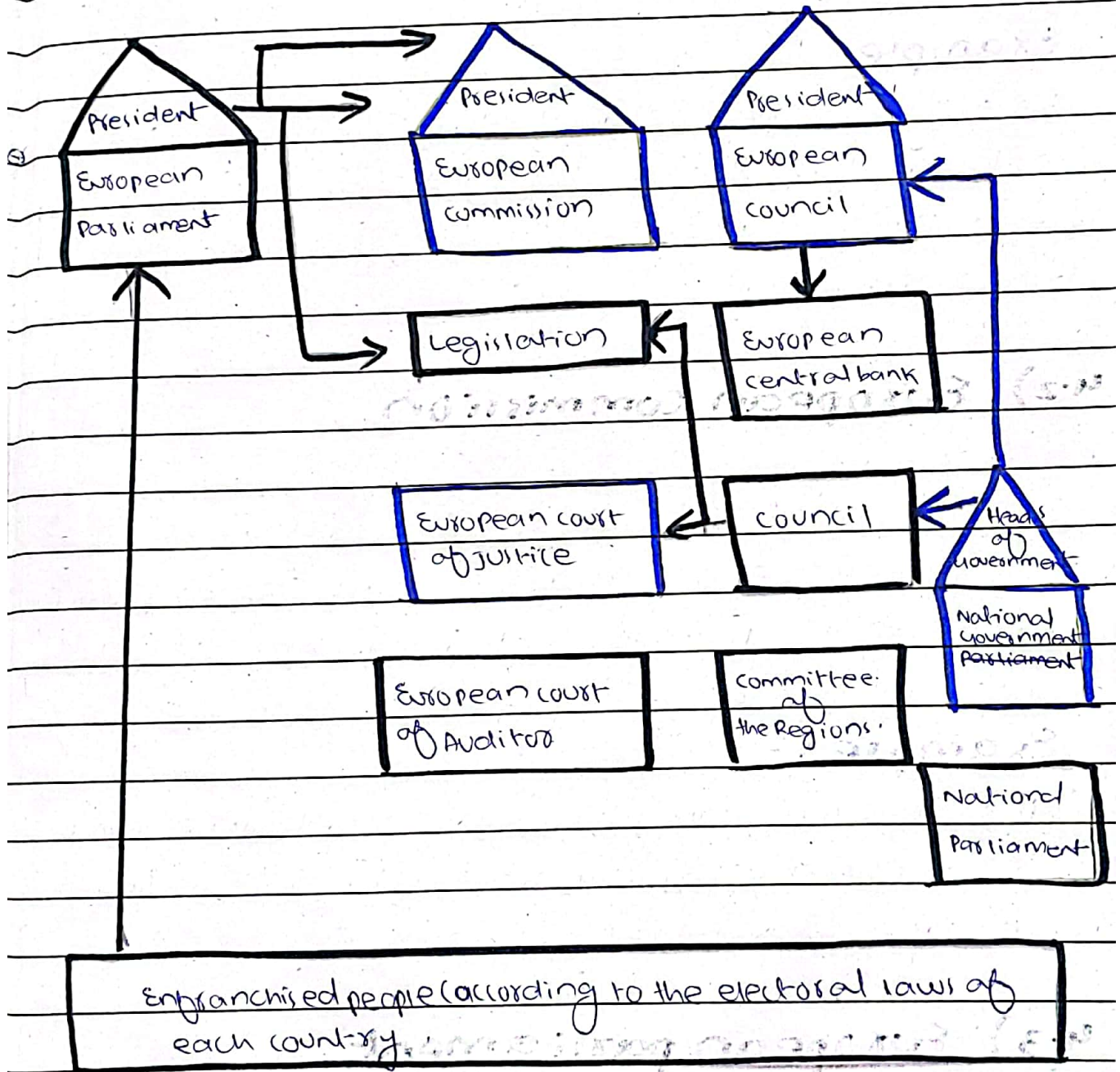
#### Example

The European court of justice is the court in the Europe which not only look after the disputes among the countries, but also solve economic disputes, preventing any political and economic stability in the Eurozone.

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## 4) ORGANIZATIONAL STRUCTURE OF EUROPEAN UNION



Legislative Branch → elects/appoints/decides

Executive Branch → Membership

Judicial Branch → Proposes

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## 4.1) European Council

European Council sets the political directions and long term goal for the Europe.

### Example

Recently, European Council sets a target of net zero for the EU by 2050, promoting economic and climate sustainability through partnership and cooperation.

## 4.2) European Commission

European Commission is the executive branch of the EU and it also co-legislates or propose legislation. It looks after implementation of EU policies.

### Example:-

The EU Commission plays a crucial role in economic governance by approving the EU budget and providing democratic oversight.

## 4.3) European Parliament

The European Parliament represents the EU's <sup>citizens</sup> states and governments, co-legislates with the Council, and oversees the Commission.

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### Example:-

The EU parliament approves the EU budget and providing democratic oversight of the budget.

## 4.4) The Council of European Union.

The Council of European Union represents EU's states governments, adopts legislations, and coordinates in policies.

**Example:-** The Economic and Financial Affairs Council plays a vital role in promoting economic coordination and fiscal discipline.

## 4.5) The European Bank

The European bank provides financial assistance to the member states.

### Example:-

The EU bank play an essential role in price stability and economic cohesion among the member states of the Eurozone.

## 4.6) Court of Justice of the European Union.

It ensures the uniform interpretation and

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and application of laws.

### Example:-

The CJEU ruled on cases related to economic issues such as single market and market competition.

## 5) CONCLUSION

To conclude, the EU is the best example of regionalization in which ~~per~~ members make an political and economic alliances to promote economic coordination and financial stability in the region. This model of governance has lifted millions of Europeans from the poverty and provided a peace in the region. Thus, SAARC should learn from the EU to promote economic coordination in the Indian region.

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Short Note : End of History

## 1 INTRODUCTION

The End of History is the idea put forth by political philosopher Francis Fukuyama in his influential essay "The End of History?" published in 1989. The central idea is that with the fall of Berlin wall, humanity is reached to the endpoint of ideological evolution, and liberal democracy represent the final form of government. However, Fukuyama thesis is facing many challenges related to rise of authoritarianism, Huntington's clash of civilization, and cultural diversity and relativism which have affected the pace of democracy in the world. Hence, Fukuyama arguments of the end of history are facing multifaceted challenges in the multi-polar world order.

## 2) MAIN PRINCIPLES AND ARGUMENT OF THE "END OF HISTORY" THESIS:

### 2.1) Triumph of Liberal Democracies

With the fall of Iron curtain, the liberal

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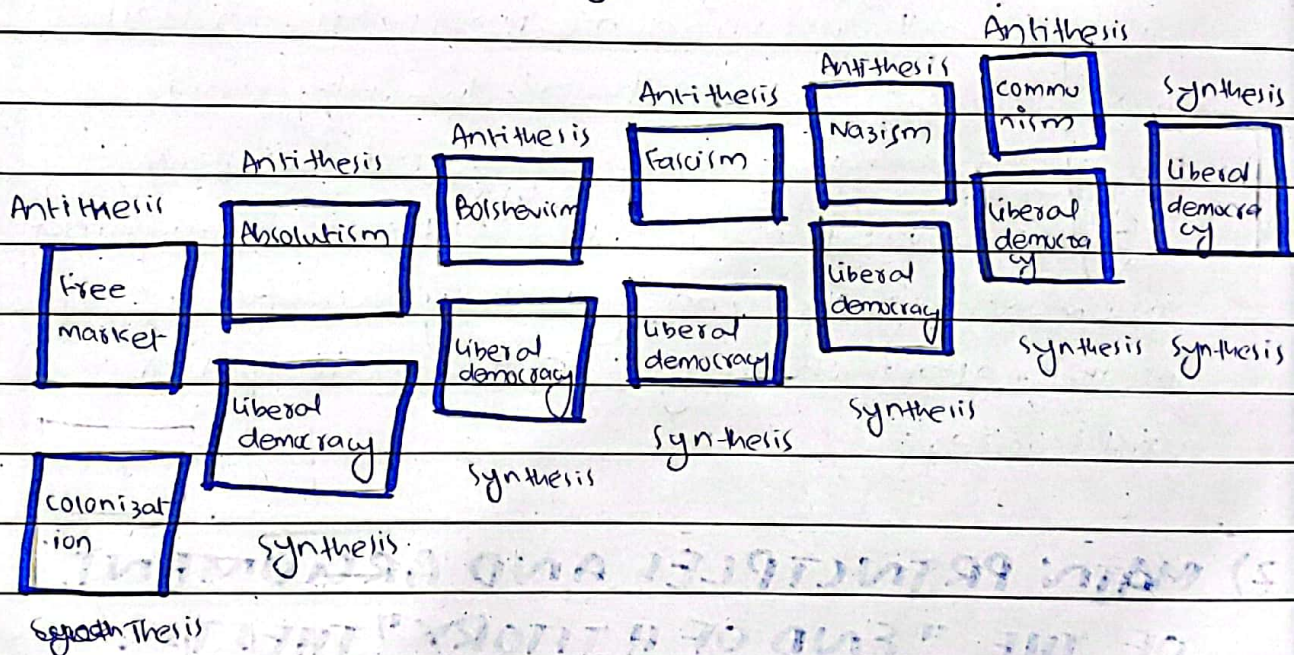
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democracies have defeated the communism.

Therefore, it is considered that the liberal democracy is the only method of governance in the world.

## 2-2) Historical Determinism

Fukuyama argued that liberal democracies with market led capitalism is the endpoint of history in which humans have achieved a model of governance which will provide them peace and progress.



Thus, Fukuyama believed that liberal democracies have defeated all forms of oppressions and it is the end of history for ideological conflicts.

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### 2.3) End of ideological struggles:-

Fukuyama believed that democracy is the end of ideological struggle. It is because it has defeated colonization, absolutism, Fascism, and communism. Therefore, humans have reached endpoint of the history and that endpoint, he believe, is liberal democracy with market led capitalism.

### 2.4) Global convergence

With the fall of Iron curtain and Berlin wall, democracy form of governance has become global convergence. For instance, former USSR states such as Baltic states, become democratic governments and adopted market led capitalism. Thus, the world was ready to adopt democracies as their governance model.

### 2.5) Economic liberalism

When a liberal democracy become a only dem governance model, it promoted economic liberalism. Even western nation believed that one china would become liberal democratic when they liberalize their economies, but it didnot happen.

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### 3) PRESENT DAYS CHALLENGES, CRITICISMS AND ANTITHESIS

#### 3-1) Rise of Authoritarianism

In the contemporary world, the rise of authoritarianism has affected democracies around the world. According to the World Press Freedom Report, democracy has declined in 22nd year in 2022. Hence, the rise of self especially China and Russia have posed serious threats to Fukuyama end of history notion.

#### 3-2) Culture and Religion challenges: Samuel P. Huntington clash of civilization

Samuel P. Huntington criticized Fukuyama thesis and believed that future conflicts would be derived ~~the~~ through cultural and religion differences rather ideological differences. He was right. In today's world, one can clearly see observe the religious and cultural conflicts from Gaza war to American war on terror in the middle east.

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### 3.3) Terrorism and financial instability related challenges

The 9/11 attacks and 2008 financial instability have raised question about the efficiency of democratic governance. Moreover, with the rise of China, the world has found alternative form of governance in which they can uplift the lives of their masses.

### 3.4) Culture relativism and diversity challenges

Amartya Sen highlighted the importance of plurality and diversity in the governance. He believed that ~~of~~ Although liberal democracy has defeated many other ideologies, it is not only the governance model in the world.

### 3.5) European union's integration challenges

European union's integration challenges such as Brexit has posed a serious challenge for the democracies union in the world. Thus, ~~dem~~ liberal democracies are facing multifaceted challenges in the multipolar world.

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## 5) CONCLUSION

To conclude, ~~an~~ Though Fukuyama's thesis about the end of history is some point valid that liberal democracy has defeated all types of oppressive governance model, calling it an ideological end of human's evolution does not prove right. It is because human's evolution for the best form of governance is the long lasting process which will never end.